



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval

Under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Consolidated Financial Statements for Holding Companies (FR Y-9C) (OMB No. 7100-0128), the Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP) (OMB No. 7100-0128), the Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP) (OMB No. 7100-0128), the Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7N) (OMB No. 7100-0125), and the Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b) (OMB No. 7100-0086), and to extend, without revision, the Financial Statements for Employee Stock Ownership Plan Holding Companies (FR Y-9ES) (OMB No. 7100-0128) the Supplement to the Consolidated Financial Statements for Holding Companies (FR Y-9CS) (OMB No. 7100-0086), the Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7NS) (OMB No. 7100-0125); and the Capital and Asset Report for Foreign Banking Organizations (FR Y-7Q) (OMB No. 7100-0125).

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551, (202) 452-3829. Telecommunications

Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority of the extension for three years,

with revision, of the following reports:

1. *Report title:* Consolidated Financial Statements for Holding Companies, Parent Company Only Financial Statements for Large Holding Companies, Parent Company Only Financial Statements for Small Holding Companies, Financial Statement for Employee Stock Ownership Plan Holding Companies, and the Supplemental to the Consolidated Financial Statements for Holding Companies.

Agency form number: FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS.

OMB control number: 7100-0128.

Frequency: Quarterly and semiannually.

Reporters: Bank holding companies, savings and loan holding companies, securities holding companies, and U.S. Intermediate Holding Companies (collectively, holding companies (HCs)).

Estimated annual reporting hours: FR Y-9C (non advanced approaches HCs): 123,636 hours; FR Y-9C (advanced approached HCs): 3,628 hours; FR Y-9LP: 16,400 hours; FR Y-9SP: 42,811; FR Y-9ES: 42 hours; FR Y-9CS: 472 hours.

Estimated average hours per response: FR Y-9C (non-advanced approaches HCs): 49.14 hours; FR Y-9C (advanced approached HCs): 50.39 hours; FR Y-9LP: 5.27 hours; FR Y-9SP: 5.40 hours FR Y-9ES: 0.50 hours; FR Y-9CS: 0.50 hours.

Number of respondents: FR Y-9C (non-advanced approaches holding companies): 629; FR Y-9C (advanced approached holding companies): 18; FR Y-9LP: 778; FR Y-9SP: 3,964 FR Y-9ES: 83; FR Y-9CS: 236.

General description of report: Pursuant to the Bank Holding Company Act of 1956 (BHC Act), as amended, and the Home Owners' Loan Act (HOLA), the Federal Reserve requires HCs to provide standardized financial statements to fulfill the Federal Reserve's statutory obligation to supervise these organizations. HCs file the FRY-9C and FR Y-9LP quarterly, the FR Y-9SP semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

Proposed revisions: The Federal Reserve is implementing a number of revisions to the FR Y-9C reporting requirements, most of which are consistent with recent changes to the

Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 & 041; OMB No. 7100-0036).¹

Additionally, the Federal Reserve will eliminate the concept of extraordinary items on various reports, add one new item to the FR Y-9SP report, and revise the instructions to clarify the reporting of certain tax benefits on various reports. These changes would be effective for reports reflecting the March 31, 2018, report date. The changes include:

- Deleting existing data items from Schedule HI-B, Part I, Charge-Offs and Recoveries on Loans and Leases and Changes in Allowance for Loans and Lease Losses, of the FR Y-9C report that pertain to charge-offs and recoveries on loans to U.S banks and foreign banks.
- Deleting existing data items from Schedule HC-M, Memoranda, and Schedule HC-N, Past Due and Nonaccrual Loans, and Leases and Other Assets of the FR Y-9C that pertain to certain loans covered by loss-sharing agreements with the FDIC.
- Increasing one reporting threshold and adding one new reporting threshold on the FR Y-9C for certain data items on Schedule HI, Consolidated Income Statement.
- Eliminating extraordinary items on the FR Y-9LP.
- Revising data items for the reclassification of certain tax benefits on the FR Y-9C and FR Y-9LP.

¹ The reporting changes to the FFIEC 031 and FFIEC 041 became effective March 31, 2017. See 82 Fed. Reg. 2444 (January 9, 2017). Certain data items deleted on the FFIEC 031 and FFIEC 041 do not correspond to any FR Y-9C data items. Also, certain data items that were deleted from the FFIEC 041 report because the data is predominantly reported by banks with foreign offices (FFIEC 031) remain on the FR Y-9C because no distinction is made for reporting of HCs with foreign offices versus those without foreign offices.

- Adding one new data item to Schedule SI of the FR Y-9SP to collect information pertaining to discontinued operations.
- Revising one control total and adding two control totals on Schedule HC-C and HC-N of the FR Y-9C report.
- Revising captions and instructions to replace “Loans net of unearned income” with “Loans held for investment” for the FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-7N and the FR 2886b.

Legal authorization and confidentiality: The FR Y-9 family of reports is authorized by section 5(c) of the BHC Act (12 U.S.C. 1844(c)), section 10 of HOLA (12 U.S.C. 1467a(b)), sections 165 and 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 1850a(c)(1) and 5365), and section 252.153(b)(2) of Regulation YY (12 CFR 252.153(b)(2)). These reports are mandatory. In general, the Board does not consider the financial data in these reports to be confidential. However, a respondent may request confidential treatment pursuant to sections (b)(4), (b)(6), and (b)(8) of the Freedom of Information Act (5 U.S.C. 552(b)(4), (b)(6), and (b)(8)). The applicability of these exemptions would be reviewed on a case-by-case basis.

Effective Date: March 31, 2018.

2. *Report title:* The Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations, Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations, and the Capital and Asset Report of Foreign Banking Organizations.

Agency form number: FR Y-7N, FR Y-7NS, and FR Y-7Q.

OMB control number: 7100-0125.

Frequency: Quarterly and annually.

Reporters: Foreign bank organizations.

Estimated annual reporting hours: FR Y-7N (quarterly): 1,360; FR Y-7N (annual): 313; FR Y-7NS: 66; FR Y-7Q (quarterly): 1,644; FR Y-7Q (annual): 48.

Estimated average hours per response: FR Y-7N (quarterly): 6.8; FR Y-7N (annual): 6.8; FR Y-7NS: 1.0 FR Y-7Q (quarterly): 3.00; FR Y-7Q (annual): 1.5.

Number of respondents: FR Y-7N (annual): 50; FR Y-7N (annual): 46; FR Y-7NS: 66 FR Y-7Q (quarterly): 137; FR Y-7Q (annual): 32.

General description of report: The FR Y-7N and FR Y-7NS collect financial information for non-functionally regulated U.S. nonbank subsidiaries held by foreign banking organizations (FBOs) other than through a (BHC), (IHC) or U.S. bank. FBOs file the FR Y-7N quarterly or annually or the FR Y-7NS annually predominantly based on asset size thresholds. The FR Y-7Q collects consolidated regulatory capital information from all FBOs either quarterly or annually. The FR Y-7Q is filed quarterly by FBOs that have effectively elected to become U.S. FHCs and by FBOs that have total consolidated assets of \$50 billion or more, regardless of FHC status. All other FBOs file the FR Y-7Q annually.

Proposed revisions: The Federal Reserve proposes to revise the report form and instructions for the FR Y-7N to eliminate the concept of extraordinary items to be consistent with Accounting Standards Update (ASU) 2015-01, reclassify and clarify the reporting for certain tax benefits, and replace report form captions and instructions referencing “Loans net of unearned income” with “Loans held for investment.”

Effective Date: March 31, 2018.

Legal authorization and confidentiality: The FR Y-7N, FR Y-7NS, and FR Y-7Q are authorized by section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)) and sections 8(c) and 13 of the International Banking Act (12 U.S.C. 3106(c) and 3108). Section 165 of the Dodd-Frank Act (12 U.S.C. 5365) directs the Board to establish enhanced prudential standards for certain companies, including certain FBOs. The obligation of covered institutions to report this information is mandatory. Information disclosed in these reports is collected as part of the Board's supervisory process and may be accorded confidential treatment under exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(8)), but information that is required to be disclosed publicly is generally not considered confidential. However, individual respondents may request that certain data be protected pursuant to Exemptions 4 and 6 (5 U.S.C. 552(b)(4) and (6)) of FOIA, where such data relates to trade secrets and financial information, or to personal information, respectively. The applicability of these exemptions would have to be determined on a case-by-case basis.

3. *Report title:* Consolidated Report of Condition and Income for Edge and Agreement Corporations.

Agency form number: FR 2886b.

OMB control number: 7100-0086.

Frequency: Quarterly.

Reporters: Banking Edge and agreement corporations and investment (nonbanking) Edge and agreement corporations.

Estimated annual reporting hours: Banking: Edge and agreement corporations (quarterly): 424; Banking: Edge and agreement corporations (annually): 15; Investment: Edge and agreement corporations (quarterly): 922; Investment: Edge and agreement corporations (annually): 86.

Estimated average hours per response: Banking: Edge and agreement corporations (quarterly): 15.15; Banking: Edge and agreement corporations (annually): 15.15; Investment: Edge and agreement corporations (quarterly): 9.6; Investment: Edge and agreement corporations (annually): 9.6.

Number of respondents: Banking: Edge and agreement corporations (quarterly): 7; Banking: Edge and agreement corporations (annually): 1; Investment: Edge and agreement corporations (quarterly): 24; Investment: Edge and agreement corporations (annually): 9.

General description of report: The FR 2886b reporting form is filed quarterly and annually by banking Edge and agreement corporations and investment (nonbanking) Edge and agreement corporations (collectively, “Edges or Edge corporations”). The mandatory FR 2886b comprises an income statement with two schedules reconciling changes in capital and reserve accounts and a balance sheet with 11 supporting schedules. Other than examination reports, it provides the only financial data available for these corporations. The Federal Reserve is solely responsible for authorizing, supervising, and assigning ratings to Edges. The Federal Reserve uses the data collected on the FR 2886b to identify present and potential problems and monitor and develop a better understanding of activities within the industry.

Proposed revisions: The Federal Reserve proposes to revise the report form and instructions to eliminate the concept of extraordinary items to be consistent with Accounting Standards Update (ASU) 2015-01, reclassify and clarify the reporting for certain tax benefits in the reporting instructions, and replace report form captions and instructions referencing “Loans net of unearned income” with “Loans held for investment.” These changes would be effective for reports reflecting the March 31, 2018, report date.

Effective Date: March 31, 2018.

Legal authorization and confidentiality: Sections 25 and 25A of the Federal Reserve Act authorize the Federal Reserve to collect the FR 2886b (12 U.S.C. 602, 625). The obligation to report this information is mandatory. The information collected on the FR 2886b is generally not considered confidential, but certain data may be exempt from disclosure pursuant to exemption (b)(4) and (b)(7)(C) of the Freedom of Information Act, (5 U.S.C. 552(b)(4) and (b)(7)(C)). The information exempt from disclosure pursuant to (b)(4) consists of information provided on Schedule RC-M (with the exception for item 3) and on Schedule RC-V, both of which pertain to claims on and liabilities to related organizations. The information exempt from disclosure pursuant to exemption (b)(7)(C) is information provided in the Patriot Act Contact Information section of the reporting form.

Current actions: On July 18, 2017, the Board published a notice in the Federal Register (82 FR 32812) requesting public comment for 60 days on the proposal to extend with revision the FR Y-9C, FR Y-9LP, FR Y-7N, and FR 2886b; and to extend without revision the FR Y-9ES, FR Y-9CS, FR Y-7NS, and FR Y-7Q. The comment period

expired on September 18, 2017. The Board received one comment from a banking association that, while expressing support for the FR Y-9C proposed changes, urged the Board to have the FR Y-9C revisions incorporated into the March 31, 2018, report date (rather than the September 30, 2017, report date) to harmonize the proposed changes with the proposed changes to the Call Reports. The Board has approved, pursuant to authority delegated by the OMB, the collections of information as proposed and amended (as discussed below).

Detailed Discussion of Public Comments: In response to the commenter's suggestion, the Board amended the proposal on September 11, 2017 (82 FR 43367), to make the proposed changes to the FR Y-9C family of reports, the FR Y-7N family of reports, and the FR 2886b report effective with the reports reflecting the March 31, 2018, report date. This effective date should give institutions ample time to prepare for the revisions and would minimize burden by allowing institutions to prepare their systems once for these changes and any future burden-reducing changes targeted for that report date. The comment period for the proposal expired on September 18, 2017. The Board did not receive any additional comments. The revisions will be implemented as proposed and amended on September 11, 2017.

Board of Governors of the Federal Reserve System, January 17, 2018.

Ann E. Misback,

Secretary of the Board.

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